

Enclosure 5a
October 2, 2018

Fiscal Year 2019 Revised and Fiscal Year 2020 Current Service Level Budget

2nd Council Update
October 2, 2018



Two budgets plus new initiatives will be submitted

- The Agency must prepare and submit the following budgets;
- **Revised 2019 Budget** to adjust the 2019 budget for any changes that may have occurred since its submission and passage. Typically the changes are out of the agency's control
- **2020 Current Service Level Budget**, which is the 2019 Enacted Budget plus changes in budget items such as employee benefits, contracted operation costs, and utilities

Rhode Island Financial Projections

- State departments and agencies are preparing their 2020 budgets with the possibility of a statewide funding gap for 2020
- The projected funding gap will impact the funding of several important new initiatives proposed by the RIDE team in the 2020 budget
- Due to the budget restrictions, RIDE is requesting only initiatives that are necessary to continue work currently underway

The 2019 Revised Budget Submission

- The 2019 RIDE Revised Budget includes the following requests:
- One FTE position to support adolescent health and academic achievement as part of a five-year \$9M grant recently awarded from the U.S. Department of Health and Human Services. This FTE requires no additional state funding.
- RI School for the Deaf is requesting \$231,880 in the 2019 Revised Budget to cover various operating expenses listed on the next slide.

RI School for the Deaf 2019 Revised Budget Request

- \$.14M is needed in the salary and benefits line to fund an additional pre-school teacher due to unanticipated enrollment increases, and to fund a math teacher for a class currently being covered by a substitute teacher. The school has an aggressive salary turnover target that leaves no margin for unanticipated expenses.
- \$.13M is being requested to fund various operation expenditures that are projected to be greater than initial budget estimates, including legal services, utilities, and building maintenance contracts.
- \$.04M in budget savings have been identified, resulting in an additional \$.23M budget request.

The 2020 Current Service Level Budget

- The 2020 Current Service Level Budget (CSL) is the 2019 Enacted General Revenue Budget plus target adjustments approved by the state Budget Office.
- The 2020 CSL budget total is not yet available; however, projected increases to the 2019 enacted Budget are highlighted in this presentation
- The following RIDE budget items were adjusted as part of the target adjustment process:
 - Employee Wages and Benefits
 - Education Aid Funding Formula
 - Teachers' Retirement

Current Service Level Increases (Budget Targets)

• Employee Wages and Benefits	\$ 484,348	3.9%
• Education aid	\$17,000,000	1.8%
• Teachers' Retirement	\$ 3,000,000	2.8%

RIDE received the above target increases from the state Budget Office. However, RIDE projects 2020 increases for Education aid and Teachers' Retirement to be \$29M (3.1%) and \$8M (7.6%) respectively.

State Aid to Education; Funding Formula

\$\$ Change in Education aid Funding Formula, FY19-FY20	
Total FY 19 Education Formula aid*	\$ 970,637,263
+ Funding Formula distribution Increase (year 9)**	\$ 28,273,033
+ Categorical Fund Increase	\$ 19,209,820
+ Stabilization Funds***	\$ <u>1,231,602</u>
Total FY 20 Education formula aid	<u>\$1,019,351,718</u>
\$\$ change from FY 19	\$ 48,714,455

*Includes formula funding for all local education agencies and all state schools, except the RI School for the Deaf. Also includes enacted funding for categorical funds.

**Includes the projected amount needed to accommodate anticipated data updates, including student enrollment changes, the core instruction per pupil ,and the state share ratio. Amounts are subject to change with annual spring enrollment updates.

*** Stabilization funds; Central Falls \$100,000, Davies CTE Center \$636,326, Met School \$495,276

State Aid to Education; Funding Formula, Categorical Aid

<i>Categorical Aid Type</i>	<i>2019 Enacted Budget</i>	<i>2020 Requested Increase</i>	<i>2021 Funding Target</i>
Career and Technical Education	\$4,500,000	\$2,750,000	\$10,000,000
Early Childhood	\$6,240,000	\$5,760,000	\$12,000,000
High Cost Special Education	\$4,500,000	\$3,994,739	\$12,489,478
Transportation, Non-Public	\$3,038,684	\$ 821,738	\$ 4,682,160
Transportation, Regional	\$4,372,676	\$ 462,425	\$ 5,297,725
English Language Learners	\$2,744,939	\$5,899,268	\$ 8,644,207
Density Aid	\$ 478,350	\$(478,350)	\$ 0 (statute sunset)
School Resource Officer Support	\$2,000,000	\$0	\$ 2,000,000

Year over Year Comparison by Department

<i>Department All funding sources</i>	<i>2019 Enacted Budget</i>	<i>2020 Proposed CSL Budget Including New Initiatives</i>	<i>\$\$ Change</i>
ACES (Ride operating budget)	\$ 239,137,270	\$ 239,652,515	\$ 515,245
Davies CTE	\$ 22,503,082	\$ 24,195,205	\$ 1,692,123
RI School for the Deaf	\$ 7,971,191	\$ 8,642,550	\$ 671,359
Metropolitan CTE	\$ 9,592,007	\$ 9,592,007	\$ 0
Education Aid*	\$ 938,174,860	\$ 986,929,884	\$48,755,024
Central Falls	\$ 40,752,939	\$ 41,087,651	\$ 334,712
School Housing Aid	\$ 80,000,000	\$ 80,000,000	\$0
Teachers' Retirement	\$ <u>106,118,409</u>	\$ <u>114,550,996</u>	\$ <u>8,432,587</u>
Total	\$1,444,249,758	\$1,504,650,808	\$60,401,050
*formula plus other aid categories.			

<i>ACES All funding sources</i>	<i>2019 Enacted Budget</i>	<i>2020 Proposed CSL Budget Including New Initiatives</i>	<i>\$\$ Change</i>
General Revenue	\$ 20,428,256	\$ 22,335,104	\$ 1,906,848
Federal Funds	\$212,575,621	\$210,589,026	\$(1,986,595)
Restricted Receipts	\$ <u>6,133,393</u>	\$ <u>6,728,385</u>	\$ <u>594,992</u>
Total	\$239,137,270	\$239,652,515	\$ 515,245

Year over Year Comparison by Funding Source

<i>Source of Funds</i>	<i>2019 Enacted Budget</i>	<i>2020 Proposed CSL Budget Including New Initiatives</i>	<i>\$\$ Change</i>
General Revenue	\$1,188,639,908	\$1,248,414,034	\$59,774,126
Federal	\$ 214,475,474	\$ 212,511,158	\$(1,964,316)
Restricted Receipts	\$ 35,755,376	\$ 37,766,616	\$ 2,011,240
Capital Funds	\$ 3,900,000	\$ 5,600,000	\$ 1,700,000
Permanent School Funds	<u>\$ 1,479,000</u>	<u>\$ 359,000</u>	<u>\$(1,120,000)</u>
Total	\$1,444,249,758	\$1,504,650,808	\$60,401,050

Description and Cost of New Requests; Current Service Level items above Budget Targets; \$50,000 or greater

- The Computer Science for RI (CS4RI) program was transferred from Rhode Island College (RIC) to RIDE in the 2018 budget, and funding for the program was reduced from \$260,000 to \$210,000. This request is **\$.05M** to restore the program funding to its original amount
- **\$.06M** is requested to develop and train school leaders and teachers in program models and practices that will strengthen English Learner (EL) teaching and learning throughout the state
- Establish a English Learner (EL) and World Language leadership position to support the growth of world languages and assist with the implementation of EL teaching strategies: **\$.2M**.

Description and Cost of New Requests; Additions to the Current Service Level Budget; \$50,000 or greater

- Create science position in Curriculum Office responsible for the preparation, implementation and coordination of a STEM curriculum throughout the state. **\$.1M**.
- A Counselor Fellow to coordinate professional learning for all school counselors is currently supported with New Skills for Youth funding. This funding source is scheduled to end on 12/31/2019, so **\$.1M** is requested to continue this aspect of the PrepareRI initiative.
- A fellow position is currently supported with New Skills for Youth funds to expand career and technical education programs and work based learning in schools. This funding source is scheduled to end on 12/31/2019, **\$.1M** is requested to continue this aspect of the PrepareRI initiative. This position would be a new RIDE position rather than a fellow.

Description and Cost of New Requests; Current Service Level items above Budget Targets; \$50,000 or greater

- The Agency's computer servers are reaching the limit of their serviceable time and will no longer be eligible for maintenance and service agreements by the manufacturer. The most cost-effective approach is to refresh the servers using funds in a state capital account rather than RIDE's operating budget: **\$.3M.**
- Funds for systems licensing and fees associated with student information management system, teacher evaluation, and other recently developed information systems utilized by school districts throughout the state: **\$.3M.**

Description and Cost of New Requests; Additions to the Current Service Level Budget; \$50,000 or greater

- The State of Rhode Island recently embarked upon a long-term initiative to upgrade school facilities. To support this work, RIDE is requesting a new School Building Authority position, with funds provided off-budget through RIHEBC: **\$.1M**
- The RI School for the Deaf is requesting **\$.5M** to hire one critical Speech Pathologist (\$.1M.) and reduce the turnover target (\$.4M.). The request includes increasing the employee full time equivalent cap from 60 to 61 to accommodate the additional services

State of Rhode Island Budget Timeline

<i>Responsible Entity</i>	<i>Action</i>	<i>Timeframe</i>
State Budget Office	Calculate FY 2019 Revised and FY 2020 Budget Targets and release budget instructions.	July-August 2018
RIDE	Develop Budget Request	August-October
Council on Elementary and Secondary Education (ESE)	Review draft Budget Request	September 18, 2018
Council on ESE	Review and vote on final budget request	October 2018
Board of Education	Review and Vote on final Budget Request	November 2018
Revenue Estimating Committee	The Budget Officer, House Fiscal Advisor, and Senate Fiscal Advisor meet and reach consensus on Estimated Revenues for 2018 and 2019 as well as estimated caseloads for Human Service Agencies. Then enacted Budget must meet these estimates.	First Week of November 2018
State Budget Office	Analyze Budget requests and create Budget Office Recommended Budget	December 2018
State Budget Office/RIDE	RIDE personnel meet with Budget Officer and Analyst to review/appeal budget recommendations	December 2018
Governor	Governor makes final decisions on all agencies' budgets	January 2019
State Budget Office	Submits the Governor's Recommended Budget for 2020 and Revised Budget for 2019 to the General Assembly.	January 2019

State of Rhode Island Budget Timeline, ctd.

<i>Responsible Entity</i>	<i>Action</i>	<i>Timeframe</i>
House and Senate Finance Committees	Hold hearings on each agency's budget request as well as separate hearings on each budget article included in the Governor's Budget	February-April 2019
Revenue Estimating Committee	The Budget Officer, House Fiscal Advisor, and Senate Fiscal Advisor meet and reach consensus on Estimated Revenues for 2018 and 2019 as well as estimated caseloads for Human Service Agencies. Then enacted Budget must meet these estimates.	First week of May
House Finance Committee	Introduces the House version of the Governor's budget called the Appropriations Act for both 2019 and 2018 Revised.	June 2019
House of Representatives	Offers amendments and votes on the Appropriations Act	No sooner than 1 week after approval by House finance
State Senate	Approves the Appropriations Act and send it to the Governor or amends the Act and returns it to the House. Both Houses must approve the identical version.	By June 30, 2019
Governor	Takes Action on the Budget	By June 30, 2019